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# FOREIGN CROPS and MARKETS



UNITED STATES DEPARTMENT OF AGRICULTURE  
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LATE FOREIGN DEVELOPMENTS

INDIA: The wheat acreage for harvest in the spring of 1943 is now estimated at 34,311,000 acres, or 617,000 acres more than the first estimate of 33,694,000 acres. The current estimate is 196,200 acres above the revised second estimate for the 1942 acreage.

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RUMANIA: A recent decree permits the admixture of 10 percent of bean flour in the standard bread. The weekly bread ration has been reduced from 1,750 to 1,500 grams, and the reduction is to be compensated for by a supplement of 500 grams of corn flour.

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Foreign Crops and Markets

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G R A I N SECUADORAN FLOUR IMPORTS  
INCREASED IN 1942 . . .

Imports of wheat flour into Ecuador in 1942 were estimated at around 245,000 barrels, or almost double average import requirements, according to information received in the Office of Foreign Agricultural Relations. Ordinarily the country produces about half its needs, in the Sierra regions, and is dependent on imports for the other half. Imports are consumed almost entirely in the coastal area, especially around Guayaquil. Virtually all the imported flour comes from the United States. (See also Foreign Crops and Markets, October 26, 1942.) The 1941 imports of 133,000 barrels following the good harvest of 1940 were considered about average.

Speculative buying is reported to account for the large increase in the 1942 imports. Forecasts were for a poor 1942 wheat harvest following the small crop of 1941. Stocks of flour in Guayaquil at the end of April were small, and a serious shortage seemed impending unless increased shipping space became available. As a result of the unfavorable supply situation, orders in excess of actual needs were placed abroad, and, when ample cargo space was made available to carry the full amount of the orders, stocks were found to be excessive. Many firms, especially smaller ones, found their supplies to be twice the normal requirements.

In the general liquidation that followed, prices in the coastal areas were depressed much below the high level at which they had been selling, and were for a time below cost, at 52 sucres per bag (about \$3.47 in United States currency). At the same time, prices of the lower-grade domestic flour in the producing regions were reported to be as high as 72 sucres, or approximately \$4.80 per bag of 98 pounds. The Government's policy of maintaining high freight rates between the two regions in order to protect the local grain from foreign competition, prevented shipments of the needed flour from being made freely to the interior.

Freight rates are under Government control and are set in accordance with the supply situation. When the domestic crop is good, the rate from Guayaquil to Quito is usually fixed at 20.00 sucres (about \$1.33) per 98-pound bag. Early in 1942, when the supply in the producing areas was low, the rate was set at the comparatively low figure of 7.00 sucres (approximately \$0.47) per bag. That rate was effective only to June 30, and with the new harvest beginning in July the rate was increased to 13.50 sucres (about \$1.10) per bag.

The situation was further aggravated by the danger of heavy losses in the large stocks of the coastal regions during the rainy season, which usually begins late in December. While the high transportation costs usually prevent any significant movement between the two areas, reports indicate that late in 1942 considerable quantities of imported flour were



moved into the higher areas where storage conditions were more favorable, and that quantities were consumed there to supplement the short crop.

In order to ease the supply situation, imports were prohibited from October 1, 1942, to January 1, 1943. Despite export restrictions, considerable quantities are said to have been shipped to Colombia. Supplies still on hand late in 1942 were estimated to be sufficient to cover requirements through February 1943 and, according to reports, no further imports are expected during that time.

ECUADOR: Imports of wheat flour, 1936-1942

Country of origin	1936	1937	1938	1939	1940	1941	1942 a/
	Barrels	Barrels	Barrels	Barrels	Barrels	Barrels	Barrels
Argentina .....	14,570	33,563	101	-	885	-	-
Canada .....	21,374	200	-	99	151	748	2,000
United States ...	52,267	102,119	110,732	184,110	92,208	132,240	241,000
Others .....	15,084	1,170	1,197	2,546	3,192	-	-
Total .....	103,295	137,052	112,030	186,755	96,436	132,988	243,000

Compiled from official sources. a/ January-November exports. No export permits were granted after October 1.

RICE CROP IN INDIA

SLIGHTLY BELOW AVERAGE . . .

The 1942-43 Indian rice harvest amounted to 1,834 million bushels, as compared with 1,895 million bushels last year, according to official estimates just received from Calcutta. The low yield of 24.5 bushels per acre was materially below average and was caused primarily by drought in some parts of the country. The 1942-43 acreage was the largest in more than a decade, and indicates that the official efforts to increase the acreage of food crops has achieved some success.

INDIA: Rice acreage and production, 1942-43, with comparisons

Year	Acreage	Production
	Thousand acres	Million bushels
Average 1931-32 to 1935-36 .....	70,555	1,938
1936-37 .....	72,295	2,080
1937-38 .....	72,568	1,996
1938-39 .....	73,398	1,791
1939-40 .....	73,199	1,896
1940-41 .....	73,059	1,656
1941-42 .....	73,579	1,895
1942-43 .....	74,919	1,834

Compiled from official sources.

India, the world's largest rice producer, has usually been also the world's largest importer. During the years 1936-1940, imports averaged 3 billion pounds annually. Nearly 80 percent of the imported requirements were from Burma, with the remainder obtained from Thailand and Indochina. With these countries no longer accessible, it has been necessary for Indian officials to reduce rice exports, annually amounting to 600 million pounds, and to encourage a larger domestic production of food crops.

# PERU REVISES ESTIMATE FOR 1942 RICE CROP DOWNWARD . . .

The 1942 Peruvian rice crop is now estimated at 4,365,000 bushels, the smallest production in the past 4 years, and is only about 60 percent of the 1941 harvest. Reports indicate that conditions have not been favorable for the early planting of the 1943 crop.

The large harvest in the fall of 1941 resulted in substantial exports from Peru in the spring of 1942, but with the poor 1942 crop Peru was faced with a shortage and the country was again forced to import rice, which has been obtained primarily from Ecuador during the past few months.

PERU: Rice acreage, production, trade, and apparent domestic utilization, averages 1926-1935, annual 1936-1942

Year	Area	Production		Imports	Exports	Apparent domestic utilization
		Rough	Cleaned			
	1,000	1,000	Million	Million	Million	Million
Average	acres	bushels	pounds	pounds	pounds	pounds
1926-1930..	92	3,362	93	50	1	142
1931-1935..	126	4,792	133	9	2	140
Annual						
1936 .....	117	5,139	143	56	a/	199
1937 .....	90	3,176	88	24	0	112
1938 .....	104	4,352	121	72	0	193
1939 .....	103	4,470	124	46	a/	170
1940 .....	121	6,010	167	24	a/	191
1941 .....	153	7,414	206	8	2	b/ 212
1942 .....	-	c/ 4,365	121	-	9	-

Compiled from official sources.

a/ Less than 500,000 pounds.

b/ Utilization was not this large, as stocks carried over into 1942 were above normal.

c/ Preliminary.

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VEGETABLE OILS AND OILSEEDSBRAZILIAN CASTOR-BEAN PRODUCTION  
STEPPED UP . . .

An unofficial estimate places the 1943 Bahia castor-bean crop at 60,000 short tons, compared with approximately 50,000 tons last season. Although returns for the entire country are not available at this time, it is expected that production will exceed the 200,000 tons produced last year. The State of Bahia is the most important producing center in Brazil, and exports of beans from that area usually represent about 30 percent of the total shipments from that country.

Exports of beans from the Port of Bahia during 1942 were the smallest since 1939; this was due to the shortage of shipping space and not to a lack of demand. Trade in both beans and oil during the last 6 months of 1942 was with the United States exclusively. This was in accordance with an agreement between the two countries whereby the United States guaranteed Brazil a favorable market for their castor-bean crop.

Prices of first quality castor oil on the Bahia Produce and Stock Exchange fluctuated between 12.02 and 12.88 cents per pound during July-December 1942. Prices during January-June ranged from 11.34 to 13.74 cents.

CASTOR BEANS: Exports from the port of Bahia, Brazil,  
1941 and 1942

Month	1941	1942
	<u>1,000 pounds</u>	<u>1,000 pounds</u>
January .....	12,559	3,816
February .....	10,553	18,637
March .....	2,247	5,844
April .....	14,430	2,923
May .....	899	2,472
June .....	20,881	10,563
July .....	16,920	4,377
August .....	6,067	4,945
September .....	5,953	7,534
October .....	18,298	3,144
November .....	7,304	3,259
December .....	24,293	3,709
Total .....	140,464	71,223

Compiled from official sources.



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Reports from Sao Paulo indicate that castor-bean production will probably exceed 50,000 tons this year compared with 45,000 tons in 1942. The average crop for that State, prior to 1941, was around 20,000 tons. The largest production was in the extreme western part of the State, but the central and north-central also produced sizable quantities. Most of the beans were produced on cultivated land and were the small brown and brown-striped varieties; the wild ones were the large black and large white-striped species. One of the major difficulties in marketing castor beans is the lack of quality designations. Even the agreement with the United States does not provide for differences in quality, but merely specifies that the beans shall be the average of the crop. If given proper encouragement and guidance by consumers, Brazilian growers could produce a uniform quality with a high oil content.

Though of minor significance at the present time, castor-oil production in Brazil is increasing. The largest crushing mills are located in Sao Paulo and have a capacity output of 10,000 tons annually, but, due to the relatively small demand, production has proceeded on a reduced basis, averaging about 4,000 tons a year. Approximately 70 percent of this oil is consumed within the State, and the other 30 percent is exported.

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#### URUGUAY ESTABLISHES PRICES FOR 1942-43 SUNFLOWER SEED . . .

A decree dated January 27, 1943, establishes purchase and sales prices for the 1942-43 sunflower seed, as the harvest is expected to be insufficient for the country's needs. Following are the prices per 100 kilograms: To producers 7.80 pesos (\$1.87 per 100 pounds) in bags, and 7.30 pesos (\$1.75) without, for the months of February and March, a progressive monthly increase of 7 centesimos (1.67 cents per 100 pounds) being allowed for subsequent months. To intermediaries and manufacturers, 8.00 pesos (\$1.91) in bags, and 7.50 pesos (\$1.70) without, for the months of February and March, with a progressive monthly increase of 7 centesimos being allowed for subsequent months. These prices are for sound, dry, clean sunflower seed, the following percentages, however, being allowed: damp, 10 percent; containing foreign bodies and/or earth 2.5 percent; rotten, sprouted and/or scorched, 2 percent.

The decree also provides compensation, by bonuses to the interested party, for such grain as may not fulfill the above conditions, being either inferior or superior. Provisions are made for the amount to be discounted for transportation costs, for methods of analysis of the seed, for enforcing compliance with the law and with its general control, for the quotas to be allotted for the importation of sunflower seed if the harvest proves insufficient for domestic needs, and for penalties for violation.

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C O T T O N - O T H E R F I B E R S

HEMP ACREAGE IN CHILECONTINUES UPWARD TREND

Official estimates of 1943 hemp acreage in Chile show 46,000 acres as compared with 35,000 in 1942 and 20,000 in the preceding year. Acreages for 1941 and 1942 each showed an increase exceeding two-thirds of the area of the immediately preceding year, but the 11,000-acre increase in 1943 was only about one-third of the 1942 area. Fiber production has kept pace with the expanded acreages, and this year's crop is expected to be considerably larger than the 1942 harvest of 14,400 long tons.

There was a small carry-over from the 1942 crop. This, combined with the prospects of a large crop this year and the uncertainty of a ready outlet through foreign markets, has had a tendency to depress prices somewhat. The United Kingdom continues to afford the largest market for Chilean hemp, having taken 41 percent of the 1942 exports, with the United States next, taking 30 percent, and Argentina, 21 percent. Most of the remaining 8 percent went to Brazil.

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CUBA HARVESTS MALVA . . .

The first malva blanca (*Urena lobata*) is now being harvested in Cuba, and the estimate for the crop is 40,000 pounds of seed and 25,000 pounds of raw fiber. Nine caballerias (or 300 acres) were planted last spring at Mantua in southwest Cuba by a native company under contract with Defense Supplies Corporation. This project was undertaken for the purpose of experimentation in the methods of growing and decorticating the fiber and supplying seed for future plantings if the results of the experiment justify the cultivation of the crop. Latest reports are that the experiment probably will be continued through another year before any decision is made concerning production on a larger scale. The plants from one caballeria (33 acres) are to be harvested for fiber, and more than 1,000 pounds of it in finished form have already been produced. The remainder of the plants are to be harvested for seed and will be unfit for fiber purposes.

Malva blanca grows wild in Cuba, but the cost of harvesting the wild plants is too great to be economical. The fiber is used locally for alpargatas, fiber-soled shoes worn extensively by rural and laboring people. Tests indicate that the fiber is both durable and fine, and that it probably would be a satisfactory substitute for jute in sugar bags if the price could be kept comparably low. The added property of retaining dye well favors the use of the fiber as a substitute for linen.

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L I V E S T O C K   A N D   A N I M A L   P R O D U C T S

CANADIAN HOG PRODUCTION  
MOVES TO WEST . . .

Hog numbers on farms in Canada, as of December 1, 1942, are officially estimated at 7,751,000 head, according to detailed statistics just released. This is an increase of 18.7 percent above the revised figures for 1941 and the largest number on record.

There was an increase in the Western Provinces of 18.6 percent to 4,418,000, while the Eastern Provinces showed an increase of 7.8 percent to 3,333,000 head. The number in Ontario, up to now the most important producing Province, decreased 2 percent to 2,019,000, whereas the number in Alberta increased 23.6 percent to 2,270,000, thus making it the most important hog-producing Province. There has been a shift in hog production since the war began from the Eastern to the Western Provinces where supplies of feed grains are abundant without the necessity of transporting them long distances.

A 16-percent increase in the fall pig crop and a 21-percent increase in the number of sows to farrow in the spring of 1943 indicate increased hog slaughter in 1943, but just what proportion will pass through export packing plants, in view of the increase in uninspected slaughter in 1942 in order to evade established ceilings, is not known.

CANADA: Number of hogs on farms, December 1, 1942  
fall pigs saved and sows to farrow

Province	: Hogs on farms : December 1		: Fall pigs saved : : (June-November)		: Sows to farrow : December-May	
	: 1941 : <u>a/</u>	: 1942	: 1941 : <u>a/</u>	: 1942	: 1941-42 : <u>a/</u>	: 1942-43
	: Thou- : sands	: Thou- : sands	: Thou- : sands	: Thou- : sands	: Thou- : sands	: Thou- : sands
Eastern Provinces						
Ontario .....	2,063.7	2,019.3	1,602.1	1,646.2	204.0	233.8
Quebec .....	850.0	1,094.5	761.0	872.5	131.0	167.3
Other .....	178.5	218.8	123.5	159.8	18.3	23.7
Total above ...	3,092.2	3,332.6	2,486.6	2,678.5	353.3	424.8
Western Provinces						
Manitoba .....	511.2	696.0	304.0	417.4	64.7	74.9
Saskatchewan ....	1,005.5	1,368.0	527.9	687.7	122.3	159.4
Alberta .....	1,836.7	2,269.7	1,143.3	1,400.0	220.4	264.2
British Columbia :	81.7	84.3	54.7	66.2	9.0	10.4
Total above ...	3,435.1	4,418.0	2,029.9	2,571.3	416.4	508.9
Total Canada ...	6,527.3	7,750.6	4,516.5	5,249.8	769.7	933.7
	:	:	:	:	:	:

Compiled from official sources. a/ Revised.

DROUGHT CAUSES HEAVY CATTLE  
LOSSES IN URUGUAY . . .

Cattle losses in Uruguay have been heavy in the past few months as a result of the worst drought in years. Poor grazing and scarcity of water in the 5 months, September-January, have resulted in heavy mortality of livestock. A conservative estimate of minimum cattle losses for the period of the drought places them at 615,000 head or 7.4 percent of the estimated 8,300,000 cattle on hand in 1942. This represents about two-thirds of the annual slaughter at packing plants in recent years. Other estimates of losses run as high as a million head of cattle, but these figures are believed to be too high. It is reported that losses during the month of January ranged from 7,000 to 10,000 head daily, giving a monthly total of approximately 210,000 to 300,000 head. December was also a bad month, although losses were not so large as in January. Even though normal rainfall occurs in the near future, further losses will result from the poor conditions of cows at the calving season.

URUGUAY: Number of cattle according to census,  
1930 and 1937

Province	Census	
	1930	1937
	Number	Number
North of Rio Negro		
Artigas .....	607	656
Salto .....	564	686
Rivera .....	409	502
Paysandu .....	629	677
Tacuarembó .....	659	781
Rio Negro .....	433	481
Total above .....	3,301	3,793
South of Rio Negro		
Durazno .....	469	551
Cerro Largo .....	284	285
Soriano .....	383	432
Flores .....	191	218
Florida .....	380	468
Treinta y Tres .....	319	405
Lavalleja .....	373	462
Rocha .....	363	449
Colonia .....	576	670
San José .....	188	225
Canelones .....	141	176
Maldonado .....	118	153
Montevideo .....	12	10
Total above .....	3,797	4,504
Total Uruguay .....	7,098	8,297

Censo Agropecuario Año 1937, Part I.



Conditions have been worse in the Departments of the northern part of the country, north of the Rio Negro, and in the east. The eight Departments where losses were largest are Artigas, Salto, Paysandu, Rivera, Tacuarembó, all north of the Rio Negro, and in Cerro Largo, Rocha, and Durazno. These eight Departments had 4,597,000 head or 55 percent of the total number in Uruguay in 1937.

The rainfall deficiency in the country as a whole has been about 46.8 percent, and the deterioration of grass exceeds anything previously experienced in the past 50 years. There has been no livestock census since 1937, but 8,300,000 head is believed to represent fairly accurately the number of cattle on hand in 1942.

Besides the estimated loss of from \$12,000,000 to \$19,000,000 involved in cattle deaths, there is also the loss resulting from forced marketing of unfinished animals. Cows and steers marketed in recent months have averaged about 176 pounds under weight. Then, too, there is an additional loss in having to sell light-weight steers for canning purposes instead of for shipment as frozen beef.

Liquidation of cattle has been heavy in recent months. Receipts at the National Livestock Market for the 5 weeks ended January 30 increased 102 percent above the corresponding period in 1941. The increase for the 4 weeks of December was 62 percent, in November 28 percent, and in October 21 percent.

The Uruguayan livestock associations have been active in urging the Government to take steps to relieve the situation. Among relief measures mentioned have been the following: (1) Emergency slaughter by packing companies, (2) temporary entry of Uruguayan livestock into Argentina and Brazil for grazing, (3) importation of forage, (4) extension of the planting of winter oats, (5) inter-Departmental movement of livestock to better grazing areas, and (6) the authorization by the Bank of the Republic of liberal renewals and extensions of credit to ranchers.

The effectiveness of the measures suggested is limited by the shortage of available cattle cars, somewhat over-crowded storage facilities owing to heavy slaughter and delayed shipping, and the fact that drought conditions in Argentina and Brazil simultaneously were growing more serious. A decree of January 13, 1943, permitted the free entry of forage into Uruguay until February 25. Local holders of forage were required to declare their stocks, and maximum prices were established. The sharp rise in prices in foreign countries, however, defeated the effectiveness of this measure, and the tonnage it has been feasible to import has been used for dairy stock and breeding animals. The extension of the planting of winter oats has been held up by the condition of the soil and the severe shortage of fuel for farm tractors. Some cattle have been moved to other departments where there is a reserve of pasturage,

but this movement is restricted by lack of transportation, and in the absence of Government control, the grazing rental terms are exorbitant.

### CANADA CONSUMES MORE LARD . . . . .

Canada has never, until recently, been a large consumer of lard. Owing to the scarcity of vegetable compounds in recent months, however, consumption of lard has increased materially. Lard stocks have dropped to the lowest point in several years, while prices have increased to the established ceiling levels. It is estimated that lard production in 1942 reached about 106 million pounds, an increase of 8 percent above 1941 and 61 percent above the last pre-war year, 1938. In the last few years before the war, exports of Canadian lard ranged from 14 million pounds in 1935 to 30 million pounds in 1937. This latter year exports represented about 40 percent of total supply.

Exports have declined materially and consumption has increased since the war began. Per capita consumption in 1942, estimated at about 10 pounds, was twice as large as for the 4 years preceding the war. The main reason for increased consumption of lard, particularly during the past 6 months, is the scarcity of lard substitutes. As none of the ingredients of vegetable compounds are produced in any quantity in Canada, that country has had to depend more and more on home-produced lard.

### CANADA: Production, trade, and consumption of lard, 1935-1942

Year	Pro- duction	Stocks first of year	Imports	Total supply	Exports	Stocks at end of year	Consumption	
							Total	Per capita
	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	Million pounds	pounds
1935 . . .	63.9	2.7	a/	66.6	13.8	3.4	49.4	4.5
1936 . . .	75.6	3.4	a/	79.0	29.3	2.3	47.4	4.3
1937 . . .	72.8	2.4	a/	75.2	30.1	2.3	42.8	3.8
1938 . . .	65.9	2.4	a/	68.3	16.8	2.6	48.9	4.4
1939 . . .	74.8	2.6	0.2	77.6	7.5	4.1	66.0	5.8
1940 . . .	86.6	4.1	a/	90.7	2.7	4.8	83.2	7.3
1941 . . .	98.0	4.9	a/	102.9	6.1	6.7	90.1	7.8
1942 . . .	b/106.0	6.7	a/	112.7	1.6	2.9	108.2	9.4

Compiled from official sources.

a/ Less than 100,000 pounds.

b/ Estimate.



Since July 1942 the Wartime Prices and Trade Board has restricted the manufacture of shortening compounds to 80 percent of the 1941 level of 103 million pounds. The price of butter is so high in relation to lard that many consumers, at least in the Province of Quebec, are substituting lard for butter, and the rationing of butter on December 20, 1942, probably caused some substitution of lard for butter for cooking purposes.

Canadian hogs are predominately of the bacon type and yield less than half as much lard per carcass as hogs raised in the United States. In the last half of 1942 Canada was approaching a lard scarcity, despite the increase in hog slaughtering.

Not only has the yield of lard per hog been relatively small in Canada, but it has been decreasing since Canadian producers have been concentrating on quality bacon hogs for export to the United Kingdom. The average yield of lard per hog in Canada in 1941 was 12.2 pounds compared with 14.5 pounds in 1936. In contrast, the production of lard per hog in the United States increased from 28.6 pounds in 1936 to 32.0 pounds in 1941.

During 1942 Canadian producers obeyed the Government order to feed hogs to heavier weights, but it is unlikely that any increase in average lard weights occurred, since the proportion of hogs going into export channels increased over previous years. Also, there is a tendency for packers in Canada to use hog fats more liberally in sausage mixtures since the price returns are more favorable for sausage than for rendered lard. The expansion of the uninspected market for hogs, in order to avoid existing price ceilings, is also thought to be partly responsible for a loss of lard. Farmers and others engaged in these operations are not equipped to utilize the fat from hogs slaughtered, so that much of it is sold on the carcass.

Evidently in anticipation of the price-freezing order of November 1, 1941, the wholesale price of lard rose sharply from around 8 cents (7.3 American currency), the price which had prevailed during the first part of the year. From July to September 1941 the wholesale price rose from 8.1 cents to 15 cents at Montreal and from 10.6 cents to 16 cents at Toronto. In general, wholesale prices during the base period (4 weeks ended October 11) were at the highest point since 1935. As retail prices had not increased to such an extent, many retailers found themselves with ceiling prices 1 to 2 cents below wholesale ceiling prices. By November wholesale prices had receded 3 or 4 cents per pound. In the last quarter of 1942, wholesale prices approached the ceiling, and the present and prospective supply of lard is so limited that no price reduction is in prospect. In December 1942, the wholesale price of lard was 14.5 cents (13.2 American) at Montreal and Vancouver, 15.5 cents (14.1) at Winnipeg, and 16.5 cents (15.0) at Toronto. Last year at the same time the price averaged between 10 and 12 cents a pound.

G E N E R A L   A N D   M I S C E L L A N E O U S

CANADIAN HOP PRODUCTION SMALLER;  
DEMAND INCREASES . . .

The production of hops in British Columbia, normally representing at least 90 percent of the Canadian total, is placed at 1,476,000 pounds for 1942, according to a report from the American Legation at Ottawa. While no official estimate of the crop for the country as a whole is available, the estimate for British Columbia indicates that production was at the lowest level since 1934 and represents less than half of the annual requirements. The 1942 season was unfavorable for growing hops in British Columbia and the yield per acre was the lowest since 1928. Labor controversies during picking-time are reported to have complicated the harvest somewhat.

Production is now largely concentrated in a small area in the lower Fraser Valley of British Columbia, in contrast with the situation 40 years ago when the main producing area was located in Ontario, and British Columbia, with Quebec and New Brunswick, was only a minor producing region. The shift in production centers was caused by the outbreak of disease in the East.

Hop production in Ontario at this time, though small, is expanding. The area has, during the past 5 years, more than doubled, with the present bearing acreage reported at 275 acres. About 150 acres were also reported in Quebec. The acreage in British Columbia in 1942 was reported at 1,604 acres, which was an all-time record. New plantings are said to be just about sufficient to maintain the present acreage. About 100 acres were reported to have been planted in 1942 but will not be in production until 1944. A small acreage was also planted in Ontario, reportedly by new growers, as experienced planters foresee increased labor difficulties.

Utilization by Canadian brewers in 1942 was estimated at around 4.6 million pounds, compared with 3.6 million pounds in the preceding year and 2.4 million pounds in 1934. While hop requirements have risen rapidly in recent years, they have not kept pace with brewing volume. This is attributed to changes in brewing practices, which have reduced the hop content of beer considerably. It is also pointed out that the consumer demand is for a less bitter product than was in general demand in past years. As a result of the reduction, 1942 hop requirements were only 30 percent above those of 1929, whereas beer production had increased by 77 percent. The expansion in brewing was partly to fill the demand for beer for export to the overseas troops, but was mostly to meet increased demands in Canada.

Brewers are expected to require about the same quantity of hops in 1943 as in 1942. Governmental restrictions prevent any further expansion in brewing; it is, in fact, restricted by an order reducing sales for the year ending October 31, 1943, to 90 percent of sales during the preceding year. Imports of beer for consumption in Canada are likewise restricted by 10 percent and wine and spirits by 20 and 30 percent, respectively.



Imported hops constituted approximately half the total used in Canada during the 5 years 1934-1938. As the European sources of imports were lost to Canada, Germany and Czechoslovakia in 1939 and Yugoslavia in 1940, the United States became almost the sole source of supply. United States hops have been dutiable at 10 cents per pound since May 2, 1936, as compared with the general tariff rate of 16 cents and the British Preferential rate of 6 cents. Imports for the first 11 months of 1942 were 50 percent above those of 1941 and over 300 percent of 1940. Exports from Canada were normally around 250,000 pounds, mainly to the United Kingdom for blending with other types. During the first 11 months of 1942, exports were 127,000 pounds, which while slightly above 1941 exports, were, with that exception, the smallest since 1932. About half of the 1942 exports went to the United States.

Purchases of Western Canadian hops are usually on a long-time contract basis with prices fixed for from 1 to 5 years in advance. Until recently prices averaged around 30 cents per pound. In 1940 the average price was reported at 33 cents per pound, and it advanced to 35 cents in 1941. A marked rise in price has occurred in hops not covered by long-term contracts, western hops having recently been contracted for in British Columbia for as high as 95 cents (Canadian). Growers in Eastern Canada do not have long-time contracts, and prices are reported to be around 50 cents per pound with premiums in some cases increasing the price to 62.5 cents. Prices for United States hops are reported at from \$1.25 to \$1.50 per pound. Only small supplies are now available in the United States.

CANADA: Production, trade, and apparent utilization of hops,  
1934-1942

Calendar year	Production: in British Columbia a/	Imports	Exports	Apparent utilization	Beer produced b/
	1,000 pounds	1,000 pounds	1,000 pounds	1,000 pounds	1,000 gallons
1934 .....	1,406:	1,308:	348:	2,366:	46,390
1935 .....	1,766:	1,678:	391:	3,053:	54,657
1936 .....	1,603:	1,281:	171:	2,713:	56,917
1937 .....	1,510:	1,455:	173:	2,792:	63,467
1938 .....	1,769:	1,087:	338:	2,518:	62,468
Average ...	1,611:	1,362:	284:	2,689:	56,780
1939 .....	1,830:	782:	203:	2,409:	62,780
1940 .....	1,692:	979:	365:	2,306:	72,388
1941 .....	1,596:	2,092:	101:	3,587:	90,247
1942 c/ .....	1,476:d/	3,224:d/	127:e/	4,573:	110,000

From official sources. a/ Excludes production in Eastern Canada, estimated in recent years at from 100,000 to 200,000 pounds. b/ Imperial gallons, equivalent to 1.2009 United States gallons. c/ Preliminary. d/ 11 months only. e/ Includes trade for only 11 months.

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